PLACE

INFO.

CLASSIFICATION SECRET/CONTROL - U.S. CFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

25X1A

INFORMATION REPORT

CD NO.

COUNTRY Germany

SUBJECT The Berlin Situation

ILLEGIB

DATE DISTR. 14 Feb. 1950

NO. OF PAGES 2

25X1C ACQUIRED DATE OF

Return to CIA Library

ILLEGI

NO. OF ENCLS.

SUPPLEMENT TO REPORT NO.

25X1X



- Greffen of the FDJ has as maximum aim the occupation of the Western Sectors of Berlin with an extensive disruption of the city life by such means as localized riots, traffic interruptions, the temporary occupation of public buildings, etc., to prove that the destern Powers are in no position to guarantee safety and peace in the areas they occupy and that they are no longer supported by a majority of the Berlin population. The FDJ jambores should be viewed in the light of a major move in the cold war directed by the UCSR against the United States, using German elements to cover up Russian sponsorship, leaving the possibility of a withdrawal and speculating on the known American reluctance to apply force.
- A vicious, well planned propaganda campaign of unprecedented intensity was 2. started on 6 January by the statement of Franz Dahlem at a conference of SED functionaries of the Greater Berlin Landes/erband saying "it is apparent that the enemies of the German people in Berlin are in the same position as rats in a trap. This tension will not pass until/Berlin is rid of them which one day will be the case. It is our desire that the American, English, and French troops leave our Fatherland as soon as possible and cease their criminal attempt to misuse our youth for war purposes, thus plunging our people and country into new troubles. The time is past when bestern Germany was involved only in its own problems contingent on the building of a Democratic order. The DDR has the task of pretecting the interests of the entire German People and directing the fight for peace, national unity and independence to a victorious conclusion. The fight for Berlin is a decisive part of the battle for all of Germany. American imperialism will do all it can to maintain a bridgehead in the heart of the DDR with the intention of directing propaganda and sabotage from there." Statements made by Hans Jendretzky, Gerhart Eisler, Albert Norden, Erich Honnecker, and Waldemar Schmidt since 6 January, all along the same lines, are intensifying the campaign.
- A further deterioration of the employment situation reflected by the January 3. increase of 23,000 unemployed brings the total figure as of 1 February to 300,000. Western German lack of trust in the economic stability of Berlin there is no guarantee of goods being delivered on schedule-is artificially stimulated by Soviet measures like appradic interference with the westward flow of Berlin land-bound traffic. For this insecurity no amount of ECA and Bundesrepublik credits can possibly compensate. The Reichsbahn building

SECRET/CONTROL - U.S. OFFICIALS CNLY CLASSIFICATION STATE RT X NAVY DISTRIBUTION NSRB ARMY X AIR

CENTRAL INTELLIGENCE AGENCY

- 2 -

incident is viewed by pro-Western elements of the Berlin population as betraying the waning American confidence in the Berlin position. Recent official American statements bearing on the Berlin situation are regarded by these elements as empty threats which are not followed up by action, thereby demonstrating a completely defensive mentality. A classical example was a recent headline announcing the possibility of a reimposition of the Berlin airlift as an "American threat". Also noted is the American silence in the face of the blatant Soviet violation of demilitarization agreements as evidenced by the Soviet Zone police developments. The Berlin and the Eastern Zone affairs also a U.S. responsibility.

- The deterioration of the Berlin situation is but a facet of developments in the Soviet Zone where bourgeois parties are facing total extinction or are being purged to assure conformity in all programs, such as the National Front. It is assumed that Ambassador Pushkia is the guiding spirit behind the purge. Its pattern conforms closely to the Hungarian model. Action Committees are applying well-worn techniques of mot violence, deposing bourgeois functionaries down to village level. With Hungarian developments seen as pattern, it is believed the next phase will be the liquidation of the remaining vestimes of Church influence followed by the liquidation of Titoist elements. Under these conditions, the Soviets less than ever can endure the existence of a Free Berlin amidst an area of slavery.
- The cumulative effects of (a) the well-advertised Soviet Zone purge, (b) the Little Blockade, (c) the continued recession of economic life, (d) the lack of forceful American action in countering the Soviet violation of agreements, (e) stories spread by persons released from Soviet Zone concentration camps about Russian atrocities, and (f) the skillful campaign through all available media plugging the line that the incorporation of Berlin into the Soviet orbit is only a matter of time, are the creation of fear among the West-Berlin population such as was never witnessed during the blockade.
- 6. In confidential discussions intellectuals and politicians in West-Berlin express the opinion that setbacks to the American policy as evidenced by (a) the loss of China, (b) the U.S. policy on Formosa, (c) the present seemingly unopposed threat to Indo-China, and (d) the lack of forceful policy statements on all Germany provide a striking parallel to the situation just prior to the Munich Conference where the appearament or containment policy was proven unable to stop aggression.
- These parallels are all evident to the Germans in the light of the U.S. failure to make a clear policy statement on the FDJ Deutschland-Treffen on 28 May 1950 (Whitsunday) and on the overall problem, and in their realization that Soviet action will be largely determined by U.S. statements made now. The Germans are convinced that the United States is a greater determining factor in the shaping of Soviet policy than the Kremlin. They believe that a firm stand involving preparedness to resort to use of arms in maintaining the Berlin position may forestall a Soviet attempt to overrun Western Europe.
- 8. The Germans consider the following to be determining factors which would limit the aims of the Treffon: (a) a clear statement on U.S. policy regarding permitting FDJ members to enter West-Berlin, (b) a statement on wearing of uniforms in West-Berlin, (c) a commitment of Allied troops in Berlin sufficient to cope with the situation, (d) a statement specifying under what conditions arms will be used by U.S. troops, and (e) a clear indication that the Allies consider this a threat to their sovereignty. Such actions are to be well advertised, coupled with an official protest to the Soviets drawing a parallel between the FDJ and the Hitler Youth and naming the Russians as instigators.